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MINNESOTA BULLETIN NO. 250-4-18

SUBJECT: FNM – PAYMENT OF LODGING, SUBSISTENCE, AND TRANSPORTATION EXPENSES FOR STUDENT INTERNS

Purpose: To provide guidance on allowable expenses for lodging, subsistence, and transportation.

Expiration Date: September 30, 2004

Section 922 of the Federal Agriculture Improvement and Reform Act of 1996 states, "the Secretary may, out of user fee funds or funds appropriated to any agency of the Department, pay for lodging expenses, subsistence expenses, and transportation expenses of a student intern at the agency (including expenses of transportation to and from the student intern's residence at or near the institution of higher education attended by the student intern and the official duty station at which the student intern is employed)". In order to compete with other USDA agencies, state conservationists may pay student interns' expenses to the full extent authorized by the law stated above. Benefits may be paid to students in both the Student Career Experience and the Student Temporary Employment Programs.

Certain travel and lodging expenses may be paid for summer interns who meet the following eligibility requirements: U.S. citizen, 16 years of age or older, high school graduates who have been accepted by a college or university or are currently enrolled in a college or university and are planning to pursue courses related to the field in which they will be employed, and the student intern's residence and school is outside the official duty station's normal commuting area, generally 50 miles, and the student intern is assisting scientific, professional, or technical employees.

Subsistence Expenses

No other allowances for subsistence may be paid or reimbursed **except** when the student intern is in travel status. Travel must be authorized on Form AD-202, Travel Authorization/Advance **prior** to the departure date and claim for expenses must be submitted on Form AD-616, Travel Voucher (Temporary Duty Travel).

Transportation

Reimbursement for out-of-state transportation will be based on a cost-benefit analysis (flying or driving providing they have transportation). If flying is cost-effective, the respective area office makes the flight arrangements with SATO using the regional office's central credit card account to charge the airfare.

Lodging

- A student is **not** eligible for lodging under this authority if the duty station is within the normal commuting area, generally 50 miles, of the student's home or university.
- Lodging for **outside** of the commuting distance for the duration of the student's internship is approved. When a student rents privately owned housing, the cost, including base utilities, should **not** exceed the average rental costs of a one bedroom apartment within the appropriate geographic area. If subsidized housing is authorized for a given location, all qualified student interns employed at the location and who meet the criteria for payments must be treated the same.
- Subsidized housing is a taxable benefit under the Federal Tax Code. **The tax withheld from the payment is not a reimbursable expense**. NFC will make payment, withhold taxes, and include the allowance on the student's W-2 form at year end. Original lodging invoices must be submitted **monthly** to the state office Financial Management section for reimbursement.
- When determining lodging costs, it is recommended the area office provide assistance to student interns in locating safe and suitable housing of a modest nature, prior to a student's entry on duty. The housing may be in a government-owned housing, government leased housing, or in privately owned housing. Generally, motels offer monthly rates which are usually cheaper than the weekly rates.

Questions may be directed to Mary Jo Polunc, Budget Officer, at 651-602-7860.

WILLIAM HUNT
State Conservationist

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